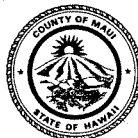


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**COUNTY COUNCIL**  
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Director of Council Services  
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July 17, 2006

Mr. Carlito Caliboso, Chair  
Public Utilities Commission  
Department of Budget and Finance  
State of Hawaii  
Kekuanaoa Building  
465 South King Street, Room 103  
Honolulu, Hawaii 96813

PUBLIC UTILITIES  
COMMISSION

2006 JUL 19 P 2:20

FILED

Dear Mr. Caliboso:

**SUBJECT: DISCONTINUATION OF LESS-THAN-CONTAINER-LOAD  
CARGO TO AND FROM KAHULUI AND KAUNAKAKAI  
HARBORS BY YOUNG BROTHERS, LTD. (COW-54)**

The Maui County Council's Committee of the Whole met on July 11, 2006 and July 13, 2006 to discuss Young Brothers, Ltd.'s (Young Brothers) proposed discontinuation of less-than-container-load (LCL) cargo services.

The Committee urges the Public Utilities Commission (PUC) to seriously consider the tremendous, immediate negative impact the discontinuation of LCL cargo services will have on the communities in the County of Maui. The Committee is well aware that the PUC has jurisdiction over approving Young Brothers' application to discontinue such services, but wishes to convey to the PUC that this is an issue with far-reaching impacts on the County of Maui.

Small businesses in this County will suffer tremendously as costs will surely increase due to additional freight consolidation charges that will emerge as a result of Young Brothers' discontinuation of services. Potential delays in the delivery time for goods may adversely impact both those sending and receiving freight. Ultimately, the consumers will suffer as elevated costs are passed on to them. Profit margins for small businesses will decline and the health of the economy of our County will be jeopardized.

The Committee would like to inform the PUC that under a separate Committee item, it has voted to recommend adoption of a proposed resolution to oppose the commencement of operation of the Hawaii Superferry at the Kahului Harbor in April 2007, pending an update of

Mr. Carlito Caliboso, Chair  
Public Utilities Commission  
July 17, 2006  
Page 2

the Harbor Master Plan, preparation of an Environmental Impact Statement, and construction of necessary improvements at the Kahului Harbor.

While the Committee acknowledges that even without Hawaii Superferry operations, Young Brothers would eventually be applying to discontinue LCL cargo services, the Committee noted that Young Brothers had planned to provide LCL cargo services at Kahului Harbor beyond 2007. The Committee urges the PUC to seriously consider whether Young Brothers' accelerated request to discontinue LCL cargo services is timely given the lack of planning for, and competition in, the freight consolidation market.

Thank you for this opportunity to provide comments.

Should you have any questions, please contact me or the Committee staff (Richelle Kawasaki at (808) 270-7886, or Clarita Balala at (808) 270-7668).

Sincerely,

A handwritten signature in black ink, appearing to read "Michael J. Molina", written in a cursive style.

MICHAEL J. MOLINA, Chair  
Committee of the Whole

cow:ltr:54a01:rkk

cc: Mr. Rodney K. Haraga, Director, Department of Transportation  
Mr. Glenn Hong, President, Young Brothers, Ltd.